



M E D I A R E L E A S E

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

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TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, SECURITIES DIVISION REMINDS INVESTORS THAT SCAMS OFTEN HIDE BEHIND THE HEADLINES

Nashville, TN—Tennessee Department of Commerce and Insurance Commissioner Leslie A. Newman reminds investors not to let recent negative economic news and stock market volatility lead them into high-risk speculative investments, which may be nothing more than fraudulent schemes hiding behind today's headlines.

"We are concerned that investors may allow uncertainty over current market conditions to lead them into fraudulent investment schemes that could weaken or devastate their financial position, potentially wiping out the retirement security they worked so hard to build," said Commissioner Newman.

Commissioner Newman noted that investors nearing retirement are particularly at risk of being targeted by phony investment schemes promising high returns to make up for losses in retirement accounts.

"Investors, especially those nearing or in retirement, should view with great skepticism any recommendation to liquidate a well structured, diversified investment portfolio to fund the purchase of an alternative investment product that may expose them to high commissions, high fees, excessive complexity, and undue risk," Commissioner Newman stated.

Legitimate financial professionals, if serving their client's interests first, generally do not recommend changes to investment portfolios based on short term economic news and market volatility.

"Scammers follow the news and often prey on investors' fear to promote bogus investments with promises of high return and little or no risk," said Newman. "Investors should guard against high-pressure sales pitches for unregistered securities and non-traditional investments such as foreign currency, oil and gas investments, exotic financial products, or offers to send their money offshore to so-called 'safe havens.'"

The Department of Commerce and Insurance Department reminds investors to:

- Hang up on aggressive cold callers and delete unsolicited e-mail messages promoting investments opportunities with little or no risk.
- Contact your state securities regulator to check that both the seller and the investment are licensed and registered. If they aren't, don't invest. Contact information is available at www.state.tn.us/commerce/securities or at the NASAA website, www.nasaa.org.

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CONTINUED- SECURITIES DIVISION REMINDS INVESTORS THAT SCAMS OFTEN HIDE BEHIND THE HEADLINES

- Request written information about any investment; carefully review it or ask your financial adviser to evaluate it.
- Use common sense. Get-rich-quick promises are usually signs of investment fraud.
- If you suspect you've been scammed, report it to your state securities regulator. Your call could help others from losing money.

The Department of Commerce and Insurance, Securities Division is a member of the North American Securities Administrators Association, the oldest international organization devoted to investor protection. NASAA's membership consists of the securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the provinces and territories of Canada, and Mexico. For more information visit the Tennessee Department of Commerce and Insurance Securities Division at www.state.tn.us/commerce/securities or call 1-800-863-9117.

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